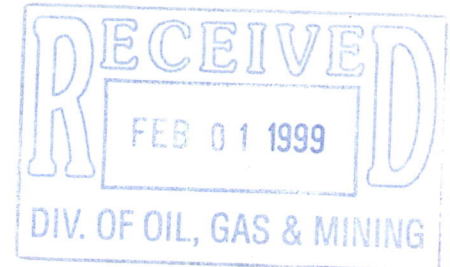


BRUSHWELLMAN
ENGINEERED MATERIALS

Brush Wellman Inc.
P.O. Box 815
Delta, Utah 84624
Phone 435/864-2701

January 26, 1999

D. Wayne Hedberg
Permit Supervisor
Utah State Department of Natural Resources (DOGM)
1594 West North Temple
Salt Lake City, Utah 84114-5801



Re: Conditional Approval of Amendment to Large Mining Operations, Brush Wellman Inc.,
Topaz Beryllium Mine, M/023/003, Juab County, Utah

Dear Mr. Hedberg:

This letter formally confirms acceptance of the additional bonding requirements as stated in the Division's January 7, 1999, letter of "Conditional Approval of Amendment to Large Mining Operations...". Brush Wellman recognizes that the permit amendment to the mining and reclamation plan will create a reclamation liability that will exceed our current steady state bond amount for an approximate four year period. Aon Risk Services, Inc. of Ohio, has issued a memo to Brush Wellman stating that it is the intention of Travelers Casualty and Surety Company to issue a \$179,400 surety bond in the year of maximum liability. The bond amount will be reduced to \$27,400 when primary waste stripping has been completed, subsequent reclamations completed, and liability requirements drop as indicated in Table 8.0-2, "Cumulative Reclamation Liability" of our notice of intent.

An updated Reclamation Contract will be completed and supplied to your office in September 1999, to allow adequate time for your review. Attached is a draft proposal of the first three pages of the Reclamation Contract along with the associated "Attachment A". Please review these pages and recommend any necessary changes if needed. We are making contacts to obtain all required permitting and approvals from federal, state, and local regulatory agencies, necessary to receive a final approval of the permit amendment, so that work can proceed as scheduled. We plan to open the new proposed pit expansion, denoted as Rainbow #2 and Section 16 South #1, starting spring of 2000. Thanks for your approval of amendment to our mine reclamation plan. Shortly after September 1999, we should have complied and met your conditions as requested.

Respectfully,

Greg G. Hawkins
Mine Manager
Brush Wellman, Inc.

FORM MR-RC
Revised January 7, 1999
RECLAMATION CONTRACT

File Number _____

Effective Date _____

Other Agency File Number _____

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION of OIL, GAS and MINING
1594 West North Temple Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
(801) 538-5291
Fax: (801) 359-3940

RECLAMATION CONTRACT

---ooOoo---

For the purpose of this RECLAMATION CONTRACT the terms below are defined as follows:

"NOTICE OF INTENTION" (NOI): (File No.)
(Mineral Mined)

M/023/003
Bertrandite

"MINE LOCATION":

(Name of Mine)
(Description)

Topaz Mining Properties
Section 31 & 32, T13S R12W SLBM
Section 4, 5, 6, 7, 8, 9, 10, 16 and 17
T13S, R12W SLBM

"DISTURBED AREA":

(Disturbed Acres)
(Legal Description)

1189.0 Plus 22.0 Additional
(refer to Attachment "A")

"OPERATOR":

(Company or Name)
(Address)

Brush Wellman Inc.
P.O. Box 815
Delta, UT 84624

(Phone)

435/864-2701

"OPERATOR'S REGISTERED AGENT":

(Name)

(Address)

(Phone)

"OPERATOR'S OFFICER(S)":

"SURETY":

(Form of Surety - Attachment B)

Self Bonding and Indemnity Agreement

Supplemental surety Bond

"SURETY COMPANY":

(Name, Policy or Acct. No.)

N/A

"SURETY AMOUNT":

(Escalated Dollars)

Maximum Escalated Bonding Requirements 1988 Revision 311,300
"Supplemental" Bonding Requirements 1998 Amendment 179,400
Maximum Escalated Bonding Requirements 1998 Amendment 490,700

"ESCALATION YEAR":

?

2004 (Letter Dec 21, 1988)

"STATE":

"DIVISION":

"BOARD":

State of Utah

Division of Oil, Gas and Mining

Board of Oil, Gas and Mining

ATTACHMENTS:

A "DISTURBED AREA":

B "SURETY":

This Reclamation Contract (hereinafter referred to as "Contract") is entered into between Brush Wellman Inc. the "Operator" and the Utah State Division of Oil, Gas and Mining ("Division").

WHEREAS, Operator desires to conduct mining operations under Notice of Intention (NOI) File No. M/023/003 which has been approved by the Utah State Division of Oil, Gas and Mining under the Utah Mined Land Reclamation Act, Sections 40-8-1 et seq., Utah Code Annotated, (1953, as amended) (hereinafter referred to as "Act") and implementing rules; and

WHEREAS, Operator is obligated to reclaim that area described as the Disturbed Area as set forth and in accordance with Operator's approved Reclamation Plan, and Operator is obligated to provide surety in form and amount approved by the Division, to assure reclamation of the Disturbed Area.

NOW, THEREFORE, the Division and the Operator agree as follows:

1. Operator agrees to conduct reclamation of the Disturbed Area in accordance with the Act and implementing regulations, the original Notice of Intention dated February 3 1981, and the original Reclamation Plan dated same. The Notice of Intention as amended, and the Reclamation Plan, as amended, are incorporated by this reference and made a part hereof. Revised March 8, 1989
2. Concurrent with the execution hereof, Operator has provided surety to assure that reclamation is conducted, in form and amount acceptable to the Division. Such surety as evidenced by the Surety Contract is in the form of the surety attached hereto as Attachment B and made a part hereof. The Surety Contract shall remain in full force and effect according to its terms unless modified by the Division in writing. If the Surety Contract expressly provides for cancellation, then, within 60 days following the Division's receipt of notice that the Surety Company intends to cancel the Surety Contract, the Operator shall provide a replacement Surety Contract in a form and amount reasonably acceptable to the Division. If the Operator fails to provide an acceptable replacement Surety Contract, the Division may order the Operator to cease further mining activities and to begin immediate reclamation of the Disturbed Area.
3. Operator agrees to pay legally determined public liability and property damage claims resulting from mining to the extent provided in Section 40-8-7(1)(e) of the Act.
4. Operator agrees to perform all duties and fulfill all reclamation requirements applicable to the mine as required by the Act and implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended.
5. The Operator's liability under this Contract shall continue in full force and effect until the Division certifies that the Operator has reclaimed the Disturbed Area in accordance with the Act and implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended.
6. If reclamation of discrete sections of the Disturbed Area is completed to the satisfaction of the Division, and the Division finds that such sections are severable from the remainder of the Disturbed Area, Operator may request the Division to certify that Operator has reclaimed such discrete sections of the Disturbed Area in accordance with the Act and Implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended. If the Division makes such certification, Operator may make request to the Division that the aggregate face

ATTACHMENT "A"

BRUSH WELLMAN INC.

TOPAZ MINING PROPERTY

Operator

Mine Name

M/023/003

JUAB

County, Utah

Permit Number

The legal description of lands to be disturbed is:

Rainbow #2: the NW1/4, NE1/4, SW1/4, and SE1/4 of the NW1/4 of Section 9 in T13S, R12W, SLM.

Section 16 S#1: the NE1/4 and the SE1/4 of the NW1/4 and in the NW1/4 and SW1/4 of the NE1/4 of Section 16 in T13S, R12W, SLM.